CHAPTER VIII

ECONOMIC CHANGES IN THE POSITION OF THE JEWS SINCE THE BEGINNING OF THE NINETEENTH CENTURY

(1) IN EUROPE

(a) *Before the War*

THE free choice of professions of which the Jews had been deprived in the Middle Ages, having been limited to a few occupations only, was gradually restored to them. Still, the mere right to leave the narrow enclosure to which they had been confined, would not have enabled them to do so had it not been for contemporary economic developments, which were specially favourable to them. The new industrial system, with its factories and technical superiority of big over small works, necessitated large capital investments, and so did the vast extension of commerce between distant countries, based on the new means of transport. In Western and Central Europe, the capital required was largely sought from the Jews, with whom, throughout the Middle Ages, ready cash had been the pivot of their economic activities. Capital investments in commerce and industry now took the place of usury. While debts of the medieval type, contracted to cover personal expenditure, usually resulted in

even worse distress, the repayment of loans presented no difficulty for the new entrepreneur, whom Jewish capital enabled to realize high profits. In this period of capitalist economy, the Jewish money-lender changed from an enemy and harsh creditor into a friend and partner of his non-Jewish debtors, the more so as the improved legal and financial security enabled him to reduce the high rate of interest which had previously been required to cover his risks.